



Home Office Information

On the reverse side of this information sheet is a checklist to assist you in putting together the details required for the preparation of your tax return.

If you are not sure on any item, or have something you feel should be included which is not mentioned on the checklist, please do not hesitate to attach documentation or notes on the further details so that we may review this with you to determine if it is an item that is relevant to be claimed.

Basis for Home Office claim

The ATO will generally not allow you to claim for expenses associated with your home unless your employer considers it necessary for you to work from home and the following criteria can be established:

- It is normal practice in your industry to perform some work duties from home; and
- It is part of your current job specification; and
- It is a condition of your employment, although not necessarily evidenced/documentated in writing.

Running vs Occupancy Expenses

As a general theory, “running expenses” are claimed by salary and wage earners who satisfy the above. Occupancy expenses may be claimed by people who run a business from home.

Running Expenses - Wages & Salary Earners

If you have a dedicated home office/study which is used solely for work duties at home, you may be able to claim a portion of power and air conditioning costs, cleaning, leasing of equipment and depreciation of equipment (eg. furniture and computers). A “reasonable” claim can be based on floor area. Note: No capital gains tax implications arise when you are merely working from home as a matter of convenience in continuing your employment/business duties and only entitled to claim “running expenses”.

Occupancy Expenses - Running a Business

Where part of your home is in fact solely for income producing activities and has the character of a “place of business”, the ATO has advised the following may be indicative that a home office is a “place of business”;

- The area is clearly identifiable as a place of business
- The area is not readily suitable or adaptable for use for private or domestic purposes as a general home
- The area is used exclusively or almost exclusively for carrying on a business, or
- The area is used regularly for visits of clients or customers.

A proportion of occupancy expenses may be claimed such as interest (on home loan), rent (on home/unit etc), house insurance, municipal rates, water rates, heating/cooling, lighting expenses, leasing charges, costs of repairs on items of furniture in the office, cleaning costs, pest control, security, telephone costs and any other occupancy or running expenses. Where part of your sole or principal residence, purchased after 19 September, 1985 has been used as a **place of business, capital gains tax may apply** to that portion of any profit on sale.

HOME OFFICE CHECKLIST

Client Name: _____

Tax Year Claim: 30 June, _____

Separate Home Office / Study Yes / No

Wage/Salary Earner: Yes / No

Place of Business Yes / No

Business Usage: Squares of office _____

Squares of dwelling _____

Percentage of business use _____ %

Running Expenses for Wage Earner

Cleaning	\$
Gas	\$
Power	\$
Depreciation of Equipment (computers, printers, etc)	\$
Lease of Equipment	\$
Other	\$
Total Expenses	\$
Business Percentage	%
Deduction to Claim	\$

Occupancy Expenses for Business Owner

Interest on home mortgage	\$
Rent on house or unit	\$
Contents Insurance	\$
Building Insurance	\$
Rates	\$
Repairs to office furniture, etc	\$
Electricity	\$
Gas	\$
Depreciation of equipment	\$
Cleaning	\$
Other	\$
Total Expenses	\$
Business Percentage	%
Deduction to Claim	\$

Please prepare the appropriate home office claim in my tax return based on the information I have provided which has been prepared from the source documentation and diarised notes I hold should I be selected for an ATO audit at any time.

Client signature: _____ Dated: ____ / ____ / ____